

# **Kentucky Agricultural Development Board**

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## ***Minutes of the December 27, 2007 Board Meeting***

The Kentucky Agricultural Development Board meeting was held on **December 27, 2007** beginning at **10:11 a.m. EST** at room 110 of the Capitol in Frankfort, KY. Governor Steve Beshear, presiding, called the meeting to order, and the Secretary called the roll.

### **Roll Call**

#### ***Members Present***

Donna Amburgey; H.H. Barlow; Vickie Yates Brown; John Cleaver; Rodney Dick; Commissioner Richie Farmer; Dennis Griffin; Secretary John Hindman (Don Goodin, designee); Wayne Hunt; Jim Mahan; Wayne Mattingly; Sam Moore; Dean M. Scott Smith; Richard Warner; Governor Steve Beshear

#### ***Members with Excused Absences***

Dr. Mary Sias

#### ***Others Present***

**Staff** - Catherine Ball; Angela Blank; Kyle Day; Todd Harp; Tim Hughes; Christi Marksby; Bill McCloskey; Joel Neaveill; Kylee Smith; Nick Whobrey

**Guests** – Lt. Governor Daniel Mongiardo, Roger Thomas, Larry Thomas, Hardin County Farmers Market; Rich Laing, KCARD; Donald Wise, Hardin County Farmers Market; Biff Baker, LRC; Dawn Riley; Steven Spalding; Tony Brannon, MSU School of Ag.; Gary Lane, KDDC; John Roberts, KDA; Sandra Gardner, Kentucky Farm Bureau; Kara Keeton, Keeton Communications; Al Cross, Institute for Rural Journalism and Community Issues; John Sharpe; Grasshopper Distribution, LLC

### **Approval of Minutes**

Dennis Griffin moved to **approve the minutes of the November 15-16, 2007 meeting with the addition of Don Goodin present**; Jim Mahan seconded the motion. The motion passed without dissent.

### **Notification of Media**

Governor Steve Beshear asked the Secretary if media had been notified. She stated that the media received notice regarding the Kentucky Agricultural Development Board monthly meeting and media was present.

### ***Chairman Welcome***

Governor Steve Beshear recognized Roger Thomas for his appointment to Executive Director for the Governor's Office of Agricultural Policy starting January 7, 2008.

The Governor recognized the importance of agriculture and has reviewed the executive summary from the Task Force on the Future of Agriculture.

Lieutenant Governor Dan Mongiardo was present and discussed several areas that he felt were also important to agriculture.

### **Introduction of a new KADB member**

Richard C. Warner of Pulaski County was introduced as the newest member of the KADB. Mr. Warner is the owner of Warner Fertilizer and represents the Kentucky Chamber of Commerce on the board. Mr. Warner expressed his honor for being chosen to serve on this board.

### **Old Business**

#### **GOAP**

Joel Neaville presented a letter from Sam Lawson in which he challenged the KADB members to remain focused on the Long Term Plan for Agriculture and to stay true to the Board's purpose.

Commissioner Richie Farmer welcomed the guests and new member. He also spoke of a close working relationship with both Mr. Thomas and the Governor and is excited about moving agriculture forward in the next four years.

Governor Beshear called on Bill McCloskey to report on the Kentucky Agricultural Finance Corporation (KAFC). Mr. McCloskey presented a statement of KAFC's financial position (on file with the Board Secretary) and answered Board member's questions.

Governor Beshear called on Nick Whobrey to discuss the Model Program changes that were voted on at the November board meeting. Mr. Whobrey stated that a binder of all approved model program changes would be given to each KADB member at the January meeting.

Governor Beshear called on Tim Hughes to update the board on the status of the County Comprehensive Plans. Mr. Hughes presented two memos summarizing 19 plans regarding the County Comprehensive Plans (on file with the Board Secretary). **Sam Moore made a motion to accept the submitted plans; Jim Mahan seconded the motion and the motion passed without dissent.**

Governor Beshear called on the Recipient Review Committee. Mr. Mahan, committee chair discussed their quarterly review meeting with Allied. **H.H. Barlow moved to approve the report; Don Goodin seconded and the motion passed without dissent.**

Governor Beshear called on Sam Moore to present a report on the Task Force on the Future of Agriculture. The 2007 Task Force has finished their report and will present to the Governor in January. Tony Brannon, chairman for the Task Force was available to answer questions.

## New Business

Nick Whobrey presented a memo on the Pilot Farm Management Program. The Beef Connection, LLC is requesting to be added as a Vendor in accordance with KADB Policy. Staff recommends approval of request.

*Governor Beshear relinquished the chair for the remainder of the meeting to Commissioner Farmer at 11:05.*

**Dennis Griffin made a motion recommending that a committee be designated to discuss adding the Beef Connection, LLC as a Vendor. Wayne Mattingly seconded the motion and the motion passed without dissent.**

### ***Referral of November Projects<sup>1</sup>***

Michael Judge presented projects A2007-0441 to A2007-0486 for referral to the Board's January 18, 2008 meeting for review. **Rodney Dick moved that projects A2007-0441 to A2007-0486 be referred for January 18, 2007 review; Donna Amburgey seconded the motion. The motion passed without dissent.**

### ***Approval of Model Programs<sup>2</sup>***

Michael Judge presented projects requesting funds for county model programs. **Sam Moore moved the said applications be approved for the named model programs; Jim Mahan seconded the motion. The motion passed without dissent.**

### ***Requested Amendments<sup>3</sup> and Withdrawals<sup>4</sup>***

Michael Judge presented nine requested amendments for approval. **Don Goodin moved that said amendments be approved; Dean Scott Smith seconded the motion. The motion passed without dissent.**

Catherine Ball presented a memo for the Burton Livestock, LLC requesting that the KADB accept its request to further subordinate the KADB's existing security position to the additional Farm Credit Services (FCS) commitment of \$700,000 and file a new lien/mortgage (subordinating to FCS's additional debt) on the additional collateral valued at approximately \$350,000 that is being required by FCS. KADB will continue to be subordinate to the \$967,110 KAFC loan. This KADB action to subordinate is effective until March 31, 2008, and will expire if FCS has not executed the new loan agreement and proper liens and mortgages at that time. **Jim Mahan moved that the said amendment be approved. John Cleaver seconded the motion. The motion passed without dissent.**

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<sup>1</sup> A detailed list of the referred projects is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under each model program category is attached as Appendix B.

<sup>3</sup> A detailed list of requested amendments approved is attached as Appendix C.

Kyle Day presented a memo for Jackson Purchase RC&D A2006-0401 requesting an additional \$4,949 in Hickman County funds be added to this project. **Don Goodin moved that said amendment be approved. Wayne Hunt seconded the motion. The motion passed without dissent.**

Kyle Day presented a memo for Hart County Goat Producers Association, Inc. A2007-0427 requesting that the approved amount of Hart County funds be lowered from \$27,575 to \$25,250. **John Cleaver moved that said amendment be approved. Wayne Hunt seconded the motion. The motion passed without dissent.**

Joel Neaveill presented a memo for Drought Education Assistance for the following projects: A2007-0444; A2007-0445; A2007-0456; A2007-0461.

Christi Marksburry presented a memo for Kentucky Grape & Wine Council A2003-0118 requesting an extension with a new completion date of December 31, 2008. **Dennis Griffin moved that said amendment be approved. Jim Mahan seconded the motion. The motion passed without dissent.**

#### ***Recommendations for Funding***

Christi Marksburry presented A2007-0404, The Campbell Farm Wool Art Center. The Campbell Farm Wool Art Center requests \$49,000 in State funds (Education & Leadership Development Account) and \$1,000 in Washington County funds to establish a wool arts center to teach heirloom skills through the renovation of an existing 1784 historic building. Ms. Marksburry reviewed the proposed terms and conditions for the project.

**Wayne Mattingly moved that A2007-0404 be approved for up to \$49,000 in State funds and \$1,000 Washington County funds. The applicant is to continue its efforts in obtaining county funds, with any additional county funds reducing the State amount; Donna Amburgey seconded the motion. The motion passed without dissent.**

Christi Marksburry presented A2007-0420, Kentucky Community and Technical College System. The Kentucky Community and Technical College System requests \$1,365,000 in State funds for the continuation of the computer and welding training for farmers and the addition of oxy-acetylene courses. Staff received a revised proposal on December 10, 2007 to withdraw the welding portion of the application and amend the computer training to 300 spots. Ms. Marksburry reviewed the proposed terms and conditions for the project.

**Rodney Dick moved that A2007-0420 be approved for \$210,000 in State funds (Education & Leadership Development Account); John Cleaver seconded the motion. The motion passed without dissent.**

Christi Marksbury presented A2007-0434, Hardin County Regional Farmers' Market Foundation, Inc. Hardin County Regional Farmers' Market Foundation, Inc. requests \$50,000 to construct an L-shaped open air facility, totaling 9,360 square feet, in Elizabethtown, KY. Ms. Marksbury reviewed the proposed terms and conditions for the project.

**H.H. Barlow moved to approve; Wayne Mattingly seconded the motion. Sam Moore amended the motion to encourage the applicant to work with their community to reach the \$50,000 maximum for this project provided that the applicant obtain match from agribusinesses and agricultural organizations. Therefore, the total state funding for this project may be \$50,000 bringing the maximum state (Farmers' Market Account) and county project award to \$63,000. Rodney Dick seconded the amended motion. The amended motion passed without dissent.**

Kyle Day presented A2007-0440, Murray State University Foundation, Inc. Murray State University Foundation, Inc. requests \$80,000 (\$75,000 in state funds, \$4,000 in Calloway County funds and \$1,000 in Carlisle County funds) to construct an arboretum on Murray State's Pullen Farm Complex. Mr. Day reviewed the proposed Terms and conditions for the project.

**H.H. Barlow moved that A2007-0440 be approved for \$80,000 (\$75,000 in State funds (Education & Leadership Development Account), \$4,000 in Calloway County funds and \$1,000 in Carlisle County funds); Donna Amburgey seconded the motion. Vickie Yates Brown amended the motion adding to term 4 that the adult education courses will be directly tied to agricultural needs of the local farmers for a period of five years. Furthermore, the curriculum for these courses shall be developed in conjunction with the Kentucky Horticulture Council. Richard Warner seconded the amended motion. Commissioner Farmer called for a roll call vote. The motion passed 7-3; Dean Scott Smith abstained from voting.**

Todd Harp presented A2007-0451, Powell County Livestock Producers Association, Inc. Powell County Livestock Producers Association, Inc. requests \$45,500 in Powell County funds to administer a Menu Approach Program with three model programs. Mr. Harp reviewed the proposed terms and conditions for the project.

**Jim Mahan moved that A2007-0451 be approved for \$45,500 in Powell County funds; John Cleaver seconded the motion. The motion passed without dissent.**

Todd Harp presented A2007-0482, Menifee County Conservation District. Menifee County Conservation District requests \$60,000 in Menifee County funds to administer a Menu Approach Program with four model programs. Mr. Harp reviewed the proposed terms and conditions for the project.

**John Cleaver moved that A2007-0482 be approved for \$60,000 in Menifee County funds; Donna Amburgey seconded the motion. The motion passed without dissent.**

Todd Harp presented A2007-0483, Montgomery County Cattlemen's Association, Inc. Montgomery County Cattlemen's Association, Inc. requests \$143,200 in Montgomery County funds to administer a Menu Approach Program with three model programs. Mr. Harp reviewed the proposed terms and conditions for the project.

**Sam Moore moved that A2007-0483 be approved for \$143,200 in Montgomery County funds; Wayne Hunt seconded the motion. The motion passed without dissent.**

Todd Harp presented A2007-0485, Montgomery County Conservation District. Montgomery County Conservation District requests \$60,000 in Montgomery County funds to administer a Menu Approach Program with two model programs. Mr. Harp reviewed the proposed terms and conditions for the project.

**Rodney Dick moved that A2007-0485 be approved for \$60,000 in Montgomery County funds; Don Goodin seconded the motion. The motion passed without dissent.**

#### **Recommendations for No Funding**

Nick Whobrey presented A2007-0429, Voice, Video, & Data Services, Inc. Voice, Video, & Data Services, Inc. requests \$40,000 in Boyle County funds to administer a Rural Broadband Wireless Internet program for Tobacco Farmers in Boyle County. Mr. Whobrey recommended not funding the project due to a low priority received from Boyle County council.

**Rodney Dick moved that A2007-0429 be denied for the requested \$40,000. John Cleaver seconded the motion. The motion passed without dissent.**

Todd Harp presented A2007-0450, Red River Goat Association, Inc. Red River Goat Association, Inc. requests \$10,000 in Powell County funds to administer the Goat & Sheep Diversification Model Program. Mr. Harp recommended not funding the project due to a low priority received from the Powell County council.

**Donna Amburgey moved that A2007-0450 be denied for the requested \$10,000. Richard Warner seconded the motion. The motion passed without dissent.**

#### **Recommendations for Pending Funding**

No applications for Pending.

#### **Deferred Projects**

No application for Deferred.

## **Other Business**

Commissioner Farmer presented a plaque to Roger Thomas making him an Honorary Commissioner of Agriculture for his outstanding work with the Kentucky Dairy Development Council and for his service to Agriculture specifically with the drafting of House Bill 611. He then congratulated Mr. Thomas on his appointment to Executive Director for the Governor's Office of Agricultural Policy.

Mr. Thomas received the plaque, thanked Mr. Farmer and spoke of his love for agriculture and rural Kentucky. He appreciates the Governor giving him this opportunity and is looking forward to working with the KADB.

**Rodney Dick made a motion to present Sam Lawson with a plaque for his service to the KADB and to any previous board members who had not received a plaque in the past. The motion was unanimously seconded.**

## **Closing Remarks**

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 EST on Friday, January 18, 2008 in Frankfort, KY. Note time and location of meeting is subject to change; ample notification will be given if such a change occurs.

Mr. Mahan moved to adjourn; Mr. Goodin seconded. The motion passed without dissent. The meeting adjourned at 12:14 pm.

**APPROVED:** \_\_\_\_\_

**PRESIDING OFFICER:** \_\_\_\_\_

**SECRETARY:** \_\_\_\_\_

## APPENDIX A: Applications for Referral

App #	Applicant	Request Type
A2007-0422	Hart County Extension Service	Drought Education
A2007-0423	Henderson County Conservation District	Shared-use Equipment
A2007-0424	Lyon County Conservation District	Project
A2007-0425	Estill County Conservation District	Project
A2007-0426	The Estill County Cattlemen's Association, Inc.	Project
A2007-0427	Hart County Goat Producers Association, Inc.	Farm Livestock Fencing Improvement
A2007-0428	Cumberland County Agriculture Development Council, Inc.	Goat & Sheep Diversification
A2007-0429	Voice, Video, & Data Services Inc.	Project
A2007-0430	Boyle County Farm Bureau	Agricultural Diversification
A2007-0431	Boyle County Farm Bureau	Hay, Straw, & Commodity Storage
A2007-0432	Boyle County Farm Bureau	Forage Improvement & Utilization
A2007-0433	Boyle County Farm Bureau	Technology
A2007-0434	Hardin County Regional Farmers' Market Foundation, Inc.	Project
A2007-0435	Kentucky BioProcessing, LLC	Project
A2007-0436	Kentucky Ketch, Inc.	Cattle Handling Facilities
A2007-0437	Kentucky Ketch, Inc.	Hay, Straw, & Commodity Storage
A2007-0438	Kentucky Ketch, Inc.	Farm Livestock Fencing Improvement
A2007-0439	Owen County Farm Bureau	Project
A2007-0440	Murray State University Foundation, Inc.	Project



## APPENDIX B: Model Programs Recommended for Approval

**Agricultural Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0449	Powell County Beekeeper's Association Inc.	Powell	\$6,500.00
A2007-0465	Spencer County Farm Bureau	Spencer	\$26,250.00
			<b>\$32,750.00</b>

**Cattle Genetics Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0460	Harrison County Beef Cattle Association, Inc.	Harrison	\$52,500.00
			<b>\$52,500.00</b>

**Cattle Handling Facilities**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0447	Rowan County Fiscal Court	Rowan	\$10,000.00
A2007-0466	Spencer County Farm Bureau	Spencer	\$36,750.00
			<b>\$46,750.00</b>

**Dairy Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0468	Spencer County Farm Bureau	Spencer	\$15,750.00
			<b>\$15,750.00</b>

**Farm Livestock Fencing Improvement**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0476	Lee County Conservation District	Lee	\$42,000.00
A2007-0467	Spencer County Farm Bureau	Spencer	\$36,750.00
			<b>\$78,750.00</b>

**Forage Improvement & Utilization**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0463	Lawrence County Conservation District	Lawrence	\$30,000.00
A2007-0475	Lee County Conservation District	Lee	\$25,429.00
A2007-0471	Spencer County Soil Conservation District	Spencer	\$50,000.00
			<b>\$105,429.00</b>

## APPENDIX B: Model Programs Recommended for Approval

**Goat & Sheep Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0458	Foothills Goat Association, Inc.	Bath	\$21,100.00
A2007-0480	Foothills Goat Association, Inc.	Montgomery	\$10,000.00
A2007-0448	Green River Area Development District, Inc.	Ohio	\$10,000.00
			<b>\$41,100.00</b>

**Hay, Straw, & Commodity Storage**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0441	Green County Conservation District	Green	\$82,510.00
A2007-0470	Spencer County Farm Bureau	Spencer	\$52,500.00
			<b>\$135,010.00</b>

**Shared-use Equipment**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0484	Montgomery County Conservation District	Montgomery	\$7,000.00
			<b>\$7,000.00</b>

**Swine Diversification**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0469	Spencer County Farm Bureau	Spencer	\$5,250.00
			<b>\$5,250.00</b>

**Technology**

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2007-0452	Rowan County Fiscal Court	Rowan	\$1,500.00
A2007-0486	Todd County Cattlemen's Association, Inc.	Todd	\$46,500.00
			<b>\$48,000.00</b>

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Total County Funds Recommended for Approval in Model Programs: **\$568,289.00**

## **APPENIX C: Amendments-Projects & Programs**

<b>App #</b>	<b>A2007-0043</b>
<b>Applicant Name</b>	<b>Marion County Cattlemen's Association, Inc.</b>
Amount Approved	\$34,000
Date	March 16, 2007
Requested Change	The applicant requests an <u>additional</u> \$14,000 for the <i>Cattle Handling Facilities</i> program. The request received a <u>high</u> priority from the Marion County Council. The term of the program shall remain 12 months from the execution date of the original agreement. Approval of this request would bring the program total to \$48,000.
Recommendation	Approval
<b>App #</b>	<b>A2007-0137</b>
<b>Applicant Name</b>	<b>Woodford County Agricultural Advancement Council, Inc.</b>
Amount Approved	\$85,000
Date	May 18, 2007
Requested Change	The applicant requests an <u>additional</u> \$66,533 for a menu approach of the following programs: <i>Cattle Genetics Improvement, Cattle Handling Facilities, and Forage Resource Improvement &amp; Utilization</i> . The request received a <u>high</u> priority from the Woodford County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$151,534.
Recommendation	Approval
<b>App #</b>	<b>A2007-0153</b>
<b>Applicant Name</b>	<b>Scott County Beef Improvement Association, Inc.</b>
Amount Approved	\$232,507
Date	May 18, 2007
Requested Change	The applicant requests an <u>additional</u> \$50,000 for a menu approach of the following programs: <i>Agricultural Diversification, Cattle Genetics Improvement, Cattle Handling Facilities, Farm Livestock Fencing Improvement, Forage Resource Improvement &amp; Utilization, Goat and Sheep Diversification, Hay, Straw &amp; Commodity Storage, On-Farm Water Enhancement, and Technology</i> . The request received a <u>high</u> priority from the Scott County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$282,507.
Recommendation	Approval
<b>App #</b>	<b>A2007-0154</b>
<b>Applicant Name</b>	<b>Scott County Beef Improvement Association, Inc.</b>
Amount Approved	\$94,025
Date	August 17, 2007
Requested Change	The applicant requests an <u>additional</u> \$26,000 for hay handling and the tenant program for agricultural equipment. The request received a <u>high</u> priority from the Scott County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$120,025.
Recommendation	Approval
Board Meeting	Tuesday, December 18, 2007

## **APPENDIX C: Amendments-Projects & Programs**

<b>App #</b>	<b>A2007-0159</b>
<b>Applicant Name</b>	<b>Green River Area Development District, Inc</b>
Amount Approved	\$6,500
Date	May 18, 2007
Requested Change	The applicant requests an <u>additional</u> \$1,744 for the <i>Agricultural Diversification Program</i> . The request received a <u>high</u> priority from the Hancock County Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$8,244.
Recommendation	Approval
<b>App #</b>	<b>A2007-0246</b>
<b>Applicant Name</b>	<b>Breathitt County Conservation District</b>
Amount Approved	\$15,750
Date	June 15, 2007
Requested Change	The applicant requests an <u>additional</u> \$15,750 for Hay, Straw & Commodity Storage <i>Program</i> . The request received a <u>high</u> priority from the Breathitt County Council. The term of the program shall remain 18-months from the execution date of the original agreement. Approval of this request would bring the program total to \$31,500.
Recommendation	Approval
<b>App #</b>	<b>A2007-0324</b>
<b>Applicant Name</b>	<b>Breckinridge County Conservation District</b>
Amount Approved	\$40,000
Date	July 20, 2007
Requested Change	The applicant requests an <u>additional</u> \$8,000 for the <i>Hay, Straw &amp; Commodity Program</i> . The request received a <u>high</u> priority from the Breckinridge County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$48,000.
Recommendation	Approval
<b>App #</b>	<b>A2007-0386</b>
<b>Applicant Name</b>	<b>Rockcastle County Conservation District</b>
Amount Approved	\$75,000
Date	September 21, 2007
Requested Change	The applicant requests an <u>additional</u> \$35,200 for the <i>Farm Livestock Fencing Improvement Program</i> . The request received a <u>high</u> priority from the Rockcastle County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$110,200.
Recommendation	Approval

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**APPENDIX C: Amendments-Projects & Programs**

App #	A2006-0472
Applicant Name	Menifee County Beef Producers, Inc.
Amount Approved	\$111,745
Date	December 15, 2006
Requested Change	The applicant requests an <u>additional</u> \$40,000 for a menu approach of the following Programs: <i>Cattle Genetics Improvements, Cattle Handling Facilities, Farm Livestock Fencing Improvement, and Hay, Straw &amp; Commodity Storage</i> . The request received a <u>high</u> priority from the Menifee County Council. The term of the program shall remain 18 months from the execution date of the original agreement. Approval of this request would bring the program total to \$151,745.
Recommendation	Approval

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